

# **EPA SmartWay Program - Overview**

- EPA's Profile & Environmental Goals
- Smartway Snapshot
- Becoming a Shipping Partnership
- Getting Started the FLEET Score
- Our Action plan
- Summary

An Overview of why DENSO joined the EPA's Smartway Partnership!

**Staff Recommendation - Join Program** 



# **DENSO Profile**

Large International Automotive Tier I Supplier

Site Location : Battle Creek, MI

• Employees: 2700 (A) + 500 (T)

Total Grounds: ≈ 98 Acres

• Floor Space: ≈ 1,100,000 ft<sup>2</sup> (main building)

• Site Sales 2004: ≈ \$1.3 Billion

Corporate Operations: 33 Countries

Corporate sales
FY 2004: ≈ \$26.2 Billion









#### **DENSO's Eco-Vision**

**DENSO Corporate Environmental direction -**

Eco - Vision 2015 (Global strategic environmental plan)

The key "pillars" to the program ...

Eco - Management

• Eco - Products

Eco - Friendly

(programs outside of our walls)

(product & process design)

Eco - Factory (efficient operations)

(Community involvement)



The Eco-Vision program serves as the backbone for a Green Manufacturing system at DENSO



### Eco-Vision and Smartway?

EV 2015 has 28 specific Global targets



Global and local requirements to reduce emissions



#### For Logistics ...

- (1) Improve transportation and eco drive to reduce global CO2 emissions
- (2) Expand understanding of the CO2 inventory, to include transportation issues, including company vehicles, business trips, and others.

Is SmartWay a tool to help DENSO implement some of her Global Goals?



# **EPA SmartWay**

- Goal: Improved environmental performance in freight delivery services
- EPA goals
- Reduced CO2 emissions
- Improve energy security
- Better relationship with the trucking industry
- 308 + SmartWay Partners (Jan. 2006)

DMMI invited because of involvement EPA Performance Track (Stewardship) Program



# - To become a Shipping Partner -

- Sign the Partnership Agreement
  - Commit to ship enough of their goods with SmartWay Partners carriers to score 0.50 on the FLEET model, within 3 years.
    - DMMI current score approximately 0.19 (revised to 0.29)
    - Reaching 0.50 allows use of EPA's SmartWay Logo
  - Reduce "Footprint" (Environmental Impact) assess and commit to improve facility transportation emissions within 3 years:
    - DMMI already has some programs in place.
  - Develop Annual Goals & Objectives, Action Plan
    - 1st G&O's due within 6 months



#### As a Shipper - Program Benefits:

- \* Reduced Environmental Transportation Footprint
- \* Potentially lower costs for delivery services with improved logistics
- \* Demonstrate corporate citizenship by hiring cleaner carriers
- \* Enhanced public relations value for Partners
- \* Qualify to use the SmartWay Transport Partner logo
- \* Improved metrics to monitor shipping costs



The Program is consistent with DENSO's corporate expectations in Eco Vision 2005 and 2015.

#### **DENSO – Getting Started**

#### The FLEET Score

Step 2. Complete assessment of your carriers			
Show Instructions for Step 2		_	
For which year are you calculating the environmental performance of your operations?	2005	http://www.€	

No, a score of 0.19 does not qualify you to use the logo

No, a score of 0.19 does not qualify you to use the logo										
Carrier	Shipper's Total Mileage with Fleet	Shipper's Total Weight w/ Fleet	Custom Metric	# of Trips	SIF Score for Carrier	Shipper Score based on Miles	Miles per Trip	Weight per Trip	Custom Metric per Trip	Ton-Miles per Trip
	(miles)	(tons)				0.19	(miles)	(tons)		(ton-miles)
Behnke	1,398,000				0.00	0.00				
CFI	2,364,6 <mark>00</mark>				0.75	0.17				
DLF	45,000				0.00	0.00				
Fedex	36,581				0.75	0.00				
HAWKES	80,900				0.00	0.00				
OWL	276,00 <mark>0</mark>				0.00	0.00				
Panther	40,339				0.00	0.00				
RUSH	1,925,1 <mark>00</mark>				0.00	0.00				
STAR	2,277,350				0.00	0.00				
TRW	23,00 <mark>0</mark>				0.00	0.00				
Universal	1,495,800				0.00	0.00				
UPS	39,15 <mark>9</mark>				1.25	0.00				
USF	29,116				0.00	0.00				
Watkins	146,52 <mark>8</mark>				0.75	0.01				
Misc.	126,53 <mark>3</mark>				0.00	0.00				
Total	10,304,006	0	0	0		0.19	0.00	0.00	0.00	0.00

Score was later revised to 0.29!

#### **DENSO – Getting Started**

Time Frame	Program Emphasis	0.5 FLEET Score Attainment
Year 1.	Awareness & Investigation	+ 10 %
Year 2.	Implementation	+ 30 %
Year 3.	Improvement	+60%



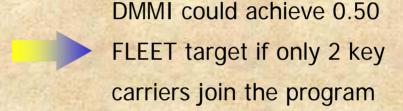
#### The Concept is ...

- 1. Emphasis on carrier involvement
  - 2. Gradual improvements

#### Proposed 2006 G&O's

#### **Action Items**

- Company & Corporate Awareness
  - Improve awareness of EPA carrier system
  - Corporate Environmental Presentation
  - Corporate Logistics Presentation
  - Carrier Notification
  - Carrier Presentation / Luncheon?
  - Tier II Supplier Presentation
- Site Impact Reduction
  - Improve carrier mileage tracking systems
  - Implement site footprint committee
  - Footprint evaluation & benchmarking
  - Site idling reduction program



Key members in the decision making process

**Purchasing** 

**Production Control** 

# **Summary**

#### DENSO Michigan joined SmartWay - Because ...

- \* Consistent with our Corporate Environmental Directives
- \* We can reduce our Environmental Transportation Footprint
- \* Smartway carriers likely to become more competitive